



TO: Governing Board and Implementation Board of the
Santa Clara Valley Habitat Agency

FROM: Kenneth Schreiber, Interim Executive Officer

SUBJECT: Valley Habitat Agency Fiscal Year 15 (2014-2015) Budget Workshop

Recommended Action: Review and Discuss Report

Discussion:

Background

The objective of the March 20, 2014 Budget workshop is to provide an overview of work on the 2014-2015 budget including objectives, revenues and expenditures. Comments and questions from members of the Boards will assist preparing the Proposed 2014-2015 Valley Habitat Agency Budget. Review of the Proposed Budget will include the May 1, 2014 Public Advisory Committee meeting, the May 15, 2014 Implementation Board meeting and the June 20, 2014 Governing Board meeting.

The staff report identifies 2014-2015 Draft Agency Objectives, key conservation issues and current information on projected revenues and expenditures. Further refinement of the information is being undertaken by senior staff from the Permittees and Agency consultants.

The budget assumes that unexpended 2013-2014 funds will be carried forward into 2014-2015.

Budget Objectives

The current year has had a necessary initial focus on many policy and procedural issues necessary to create a functioning organization. The 2013-2014 Budget objectives noted the intent to undertake planning for conservation implementation and that work has started and will carry forward into 2014-2015.

2014-2015 Draft Budget Objectives include:

1. Continue and refine the efficient and effective use of the Habitat Plan in permitting of public and private sector projects.
2. Obtain, in 2014, and begin implementation of the Army Corps of Engineers Regional General Permit (RGP) and initiate working with the Regional Water Quality Control Boards to find ways to use the Habitat Plan for RWQCB project reviews.

3. Construct, in the Summer of 2015, at least one wetland restoration and/or creation project with a focus on actions needed to facilitate use of the Army RGP.
4. Complete the system for collection of public and private sector project, Reserve System and other information to, in part, facilitate preparation of the 2015 Annual Report.
5. Continue and refine work on planning for implementation of the conservation strategy with a focus on issues that have especially high priority and challenging components.
6. Establish the process and begin implementation of enrolling into the Reserve System existing County of Santa Clara and Santa Clara County Open Space Authority open space sites.
7. Develop and maintain a database of grant-related information and submit applications for applicable grants.

Planning for Implementation of the Conservation Strategy

The 2013-2014 Budget included the objective: "start work on implementation of the conservation strategy with the focus on issues that have especially high priority and challenging components." The objective identified seven priority areas: wetland restoration and creation; integration of existing open space and site selection; rangeland management; serpentine management; Burrowing Owl conservation; connectivity and permeability; and Reserve Unit Management and Monitoring and Adaptive Management. In the next 15 plus months, these issues will be addressed. Refinement of the list of areas has resulted in nine work areas:

1. Development of a pre-acquisition biological template for assessment of existing open spaces and potential future acquisitions;
2. Enrollment of existing County of Santa Clara and Open Space Authority sites into the Reserve System;
3. Grant Coordination;
4. Burrowing Owl Conservation;
5. Wetland Restoration and Creation;
6. Rangeland Management Planning;
7. Serpentine Grassland Management;
8. Connectivity and Permeability; and
9. Monitoring and Adaptive Management.

Work on the first topic is necessary for evaluation of specific sites and required by the Habitat Plan. Work will be closely coordinated with County Parks and Recreation and the Open Space Authority. The second and third topics could include resources provided via a contract with the County Parks and Recreation Department.

Topics four through nine will include outreach to local organizations with specialized knowledge (e.g., Cattlemen's Association, Audubon Society); local academic resources (e.g., Stanford University, Santa Clara University, San Jose State University, DeAnza college); regional and more broadly based organizations (e.g., The Nature Conservancy, Peninsula Open Space Trust); and others with applicable knowledge. The State and federal Wildlife Agencies will have roles with special attention on topics that the Habitat Plan requires their approval of planning documents. An objective is to identify specific tasks that should be done and when they need to be done. Overall, the effort is to develop

work strategies and plans for topics with high Habitat Plan priority, complexity and community interest.

Revenues

Co-Permittee Staffs have developed, and will continue to refine, the following 2014-2015 revenue estimates:

Land Cover (Zones A, B and C) Fees	\$ 5,700,000
Serpentine Fees	---
Western Burrowing Owl Fees	\$ 5,400,000
Nitrogen Deposition Fees	\$ 350,000
Wetland Fees	\$ 300,000
Total Land Cover Fees	\$ 11,750,000

Expenditures

Attached is a spread sheet with budget cost centers and currently estimated expenditures. Total projected expenditures are currently \$3,030,455 of which \$145,000 is for recapture of Plan Preparation costs and \$1,200,000 is for deposit into the Endowment fund. Comments on the cost centers follow.

1.0 Administration/Support/Grant Services

1.1 Executive Officer Salary and Benefits---\$200,000

- Individual will be an employee per November 20th Implementation Board meeting action
- Individual will have an Agreement setting salary and benefits
- Cost estimate is \$200,000 but will be refined by Compensation Survey being done by CPS HR and actual negotiation with the preferred candidate

1.2 Legal Services---\$190,000

- Contract services
- Includes lead attorney and support for backup and special services
- Does not include litigation

1.3 Financial Services---\$110,000

- Santa Clara County cost estimate for Controller/Treasurer (\$30,000) from County Finance staff
- Urban Economics (Bob Spencer) contract will be extended and expanded in part for Corps of Engineers Regional General Permit cost recovery fee (\$20,000)
- Accountant estimate of \$40,000 based on general cost estimates provided through outreach to smaller/medium sized accounting firms
- Audit assumed (\$20,000)

1.4 Clerk of the Board---\$56,855

- Contract with City of Morgan Hill

1.5 Office staffing, website and Information Technology---\$63,600

- Contract with City of Morgan Hill
- Assumes current half time Management Assistant moves to three quarter time

- 1.6 Compliance Tracking and Reporting---\$25,000
 - Ongoing record keeping including coordination with the Permittee agencies (ICF---\$10,000)
 - 2015 Annual Report (ICF---\$15,000)
- 1.7 Grant coordination, preparation and admin---\$60,000
 - County of Santa Clara Parks and Recreation likely contractor for portion of this work (\$50,000 +/-)
 - Support from ICF (\$8,000)
 - Ongoing administration of grants assumed to be responsibility of grant recipient
- 1.8 Other Administrative and Support Expenses---\$117,000
 - Office space contract with City of Morgan Hill (\$24,477)
 - Office equipment/supplies (\$9,500), Insurance (\$5,000); Application and User Manual updates (\$5,000); Non-employment reimbursements (\$6,000); Training (\$20,000); Public outreach/education (\$15,000); Memberships (\$10,000); and Other expenses (\$22,000).

2.0 Technical and Permitting Support

- 2.1 Technical Assistance re Covered Activities, Plan Review and Other Issues/Requests---\$66,000
 - ICF contract services including a person working at the Habitat Agency office two days a week
- 2.2 Information Management---\$77,000
 - County of Santa Clara GIS contract (\$67,000)
 - ICF (\$10,000)
- 2.3 Waters Permitting---\$185,000
 - Completion of Army COE Regional General Permit and preparing Mitigation Banking document (ICF---\$60,000)
 - Incorporates coordination with Regional Water Boards after RGP is completed (ICF---\$50,000)
 - RGP-related application development and training (ICF---\$40,000)
 - RGP applicant support---cost recovery (ICF---\$35,000)
- 2.4 Participating Special Entities---\$45,000
 - Non-cost recovery general assistance(ICF---\$5,000)
 - Cost recovery application processing (ICF---\$40,000)

3.0 Conservation Strategy Implementation---Reserve Creation, Wetland Restoration/Creation, Land-related issues; and Monitoring and Adaptive Management

- 3.1 Waters---Wetland Restoration and Creation---ICF \$220,000
 - Objective is to construct at least one wetland restoration and/or creation project in Summer of 2015
 - Process to identify, plan, permit and reach beginning of construction (but not construction costs)
 - Critical for implementation of the Regional General Permit
- 3.2 Existing Open Space---\$30,000

- Work on site assessments and conservation easements (primarily ICF)
- 3.3 Assessment of New Lands for Acquisition---\$50,000
 - Field surveys and related pre-acquisition assessments (\$30,000 ICF and some specialized services)
- 3.4 Lands--Rangeland Management, Serpentine, Burrowing Owl and Connectivity---\$140,000
 - Rangeland Management---\$25,000
 - Continuation and refinement of 2014-15 work on management plans and conservation easements---ICF \$25,000
 - Serpentine---\$35,000
 - Continuation and refinement of 2014-15 work planning with focus on desired data collection efforts (ICF \$15,000)
 - Assumes some work on Serpentine habitat threats/problems (\$20,000 and possible grant request)
 - Burrowing Owls---\$50,000
 - Required annual burrowing owl survey (ICF \$40,000 and assumes significant use of volunteers and availability of Owl information collected by others, e.g., Mountain View, Moffett Field, Don Edwards National Wildlife Refuge, Audubon Society)
 - Facilitating Habitat Plan required coordination with organizations (e.g., Audubon Society) and agencies with Owl habitat outside the VHP (e.g., Cal Department of Fish and Wildlife, Don Edwards National Wildlife Area, Moffett Field) (ICF \$10,000)
 - Possible support for Owl-related studies identified in 2014 strategy implementation assessment
 - Connectivity and Permeability---\$30,000
 - Continuation of 2014 strategy implementation assessment (\$10,000 ICF)
 - Support at least one connectivity study for Habitat Plan priority linkage (\$20,000)
- 3.5 Lands---Monitoring and Adaptive Management and Reserve Unit Management Plans---\$50,000
 - Completion of Monitoring and Adaptive Management Program planning document started in 2014 (\$10,000---ICF)
 - Identify content and wording of integration of required Reserve Unit Management Plans and required site specific management plans that will be part of conservation easements (\$10,000---ICF)
 - Work program and initial work on Plan-required Reserve Unit Management Plans (\$30,000---ICF)

4.0 Plan Preparation and Endowment---percentages of fees based on Impact Fee Study

- 4.1 Plan Preparation---1.24% of fees---\$145,000
- 4.2 Endowment---10.35% of fees---\$1,200,000

Conclusion

Implementation of the Habitat Plan should always have a focus on maintaining an accurate and streamlined permitting process for private and public sector activities that receive permits via the Habitat Plan. For 2014-2015, major work elements will also focus on enrolling land into the Reserve System, integration of the Plan with federal and State waters-related permitting, construction of the first wetland restoration and/or creation project and planning for and starting work on activities to address especially high priority conservation issues and Plan requirements.

Attachments: Project Expenditure Spread Sheet

	A	B	C	D	E	F	G
1	SANTA CLARA VALLEY HABITAT AGENCY BUDGET				FY15 (July 1, 2014 through June 30, 2015)		
2	Draft 031214						
3	EXPENSES						Projected FY15
4	1.0	ADMINISTRATION/SUPPORT/GRANT SERVICES					
5		1.1	Executive Officer				200,000
6		1.2	Legal Services				190,000
7		1.3	Financial Services				110,000
8		1.4	Clerk of the Board Services				56,855
9		1.5	Office staffing--Morgan Hill Contract				63,600
10		1.6	Compliance Tracking and Reporting				25,000
11		1.7	Grant coordination,preparation and admim				60,000
12		1.8	Other Administrative and Support Expenses				117,000
14							
15	2.0	TECHNICAL AND PERMITTING SUPPORT					
16		2.1	Covered Activites, Plan Review and General Technical Assistance				66,000
17		2.2	Information Management				77,000
18		2.3	Waters Permitting				185,000
19		2.4	Participating Special Entities				45,000
20							
21	3.0	CONSERVATION STRATEGY IMPLEMENTATION---					
22		RESERVE CREATION, RESTORATION, MANAGEMENT, MAINTENANCE					
23		3.1	Waters: Wetland Restoration and creation				220,000
24		3.2	Lands: Integrating Existing Open Space				30,000
25		3.3	Assessment of New Lands for Acquisition				50,000
26		3.4	Lands: Rangeland Management, Serpentine, WBO and Connectivity				140,000
27		3.5	Lands: Monitoring and Adaptive Management and Reserve Unit				
28			Management Planning				50,000
29							
30	4.0	PLAN PREPARATION AND ENDOWMENT					
31		4.1	Reimbursement of Partners for Plan Preparation Costs---1.24% of fees				145,000
32		4.2	Transfer of Endowment Fees to SC County---10.35% of fees				1,200,000
33							
34	TOTAL EXPENSES						3,030,455
35							
36	HCP and NCCP/Implementation/2013/Budget/2014-2015/SCVHA 2014-2015 Projected Expenses 031214						

THIS PAGE LEFT BLANK INTENTIONALLY